

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:4070
ANSWERED ON:23.03.2001
BUFFER STOCK OF FOODGRAINS
RAGHUNATH JHA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether per unit administrative overheads, freight charges, interest charges and storage charges of buffer stock of foodgrains fluctuated widely from year to year during 1991-99;
- (b) if so, the reasons therefor; and
- (c) the measures taken by the Government to remove fluctuation of charges?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) & (b): The required information is given in the statement annexed.

(c): The following measures have been taken/ are being taken by the Food Corporation of India to remove fluctuation of charges and carrying cost:-

- (i) achieving average capacity utilization of 75% to reduce storage cost even though the procurement of grains is seasonal ;
- (ii) adhering to the procurement and movement ratio norm of 1:1.35 as fixed by the Government of India to reduce the expenditure on freight;
- (iii) making efforts to reduce the incurrence of railway demurrage charges;
- (iv) releasing excess stocks in the open market to reduce the buffer stock;
- (v) controlling the administrative cost by reducing staff strength and other administrative expenses;
- (vi) Making efforts to dispose off old stocks/ C&D category of stocks.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 4070 FOR ANSWERED IN THE LOK SABHA ON 23.3.2001.

(Rs./Per Qtl.)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	(Prov.)	(prov.)	(Prvo.)						

Admn.overheads	5.60	10.65	8.21	6.91	9.05	9.41	14.81	14.79	13.56
Freight	- -	6.99	7.66	- - - -					
Handling	7.23	8.51	8.02	8.73	10.62	13.87	19.95	17.29	19.11
Storage ch.	24.27	40.13	24.32	23.83	32.91	46.61	50.81	44.26	43.40
Interest	34.28	36.70	62.97	72.06	78.37	75.52	74.66	87.07	85.35
Transit Shortages	- -	1.13	1.31	- - - -					
Storage Short.	6.17	7.66	5.52	4.96	9.89	17.33	11.84	8.33	8.10

The fluctuation in administrative overheads, freight charges, interest charges etc. of buffer stock of foodgrains is mainly due to inflationary effect, increase in expenditure, increase in interest charges of buffer carrying cost because of heavy procurement, fluctuation in capacity utilization due to wide fluctuation in sales and procurement, increase in per quintal cost of shortages due to increase in MSP, increase in wage revision and increase in DA etc.